

NORTH YORKSHIRE COUNTY COUNCIL

The Corporate Director Health and Adult Services in consultation with the Executive Member for Adult Services and Health Integration,

14 MAY 2019

CONSULTATION ON CHARGES FOR THE COST OF ADULT SOCIAL CARE

Report of the Corporate Director – Health and Adult Services

1.0	<u>PURPOSE OF REPORT</u>
1.1	This report seeks to approve changes to charges for transport and contributions to the cost of care.

2.0 **EXECUTIVE SUMMARY**

- 2.1 In February 2018, the Council approved a list of savings projects covering the period up to and beyond 2020. In October 2018, approval was granted to carry out a full public consultation on specific proposals around these.
- 2.2 This paper sets out:
- a summary and analysis of the feedback from that consultation
 - our response to it, including recommendations regarding changes to two areas (transport charges and contributions to the cost of care)
 - how we will respond to the many issues raised in the consultation
- 2.2 The Corporate Director – in consultation with the Executive Member – is asked to agree changes to charges but noting that full implementation of those changes will not take place until April 2021.

3.0 **BACKGROUND**

- 3.1 People who use adult social care services receive a means-tested financial assessment to determine the extent to which they are able to contribute to the cost of their care. In 2013-2014, Health and Adult Services undertook a wide-ranging review of charging policy, resulting in a number of changes to the policy being made.

3.2 Since that review, Section 14 of the Care Act 2014 now gives Councils the power to charge adults for care and support where an adult has been assessed as having eligible needs. The ability to charge therefore remains discretionary, although other regulations and statutory guidance stipulate that certain types of care and support must be provided free of charge. The principles around charging previously found in the Fairer Charging Guidance are still applicable, namely that a person should only be required to pay what they can afford, that Councils are clear and transparent so people know what they will be charged and apply the charging rules equally so those with similar needs or services are treated the same.

3.3 As part of the Council's budget challenge, Health and Adult Services identified a range of proposals relating to charging for community-based services to be further explored. These have developed into 2020 Transformation Projects as summarised below:

- Transport: An Outline Business Case was approved by the Strategic Investment Board in October 2017 to strengthen application of existing policy through process improvement and further explore options for future charging levels and approaches.
- Personal contributions to care costs: An Outline Business Case was approved on 19 June 2018 which set out proposals to look at including the full cost of care in any financial assessment which determines how much people should pay towards the cost of that service.

3.4 The resulting planned savings totalling £350k have now been agreed by the County Council and incorporated into the MTFs with full implementation of all savings in 2019-20, subject to consultation and final decisions. A revised project now covers both aspects.

3.5 The Council currently has two policies for charges relating to adult social care. These are:

- Charging Policy for Residential Services
- Charging Policy for Community-Based Services

3.6 These policies will not need to be amended if the proposals are implemented. The current policy regarding charges for care states that these will be "based on the actual cost" of providing the service. Despite this, our current practice is to deduct the cost of any carers other than the first one, where a person receives support from more than one at a particular time. This is not deducted when a person receives support from more than one carer at different times. Similarly, any

change to the rate charged for transport is not a change to the actual policy itself, but to how we enact it.

3.7 This project aligns with the following NYCC strategic objectives:

- People in North Yorkshire live longer, healthier, independent lives
- Support is centred on the needs of people and their carers, enabling them to take control of their health & independence - we want people to have more choice and control over the support to meet their social care needs.

4.0 CONSULTATION

4.1 A full public consultation took place between 29 October 2018 and 21 January 2019. This included:

- Sending over 4,000 letters to people who use our service
- Making electronic, easy-read and other formats of the consultation paper available
- Holding seven public events
- Attending various representative group meetings
- Using press releases, social media, networks, partner organisations and a radio interview to make people aware of the consultation and encourage them to respond

4.2 A fully-detailed report is attached as Annex A but the following sections on each of the two main areas include a summary of responses and issues raised.

4.3 There were 411 responses and around 100 people attended the public events.

5.0 TRANSPORT PROPOSALS

5.1 Transport charges do not form part of the means-tested Adult Social Care (ASC) Assessment and theoretically therefore everyone who use services is expected to pay a contribution. The actual cost is heavily subsidised by NYCC. Current ASC transport costs of over £2.2m are reduced by income of £124k.

5.2 People who use services pay a flat rate of £2.80 per day, which of course is only a contribution to the full cost. The actual average cost per journey is over £18. There are 42 HAS contracts operated by fleet. All fleet buses operate for varying lengths of time and distance dependent on the areas they serve. The average cost of a fleet vehicle to HAS is £51k per annum. The fleet buses are accessible and have

passenger assistants either for a specific need or to manage an accumulation of risk due to passenger need.

- 5.3 Work has been undertaken to look at increasing the charge to people who use services and therefore reducing the Council subsidy, with a current Medium Term Financial Strategy (MTFS) target of £200k per annum. The overall target for transport is £250k, but we believe that £50k will be achieved through improved collection of current charges without any changes to the current level of those charges.
- 5.4 Although the transport charge sits outside the means-tested assessment, any proposed increase will need to take into account the potential impact on peoples' ability and/or willingness to pay, and therefore recognise the possibility of people deciding to make alternative arrangements. The risk of reduced income (with no corresponding reduction in fixed costs) will need to be kept under review. There are currently around 400 people for whom we provide transport.
- 5.5 As part of the Strength-Based Assessment approach, we will continue to ensure that alternative transport options are explored – for example where people receive mobility allowance or where they might reasonably be expected to make other arrangements for attending care and support – before agreeing that NYCC will provide transport.
- 5.6 In deciding on an appropriate level of charge for the consultation, contextual information was taken into account. This included the cost of public and private transport in the area and the amount that neighbouring authorities charge. This was set out in the paper to the Executive member in October 2018 and also included in the consultation itself.
- 5.7 The consultation proposed that the charge be increased to £7.50 per journey. This is a considerable increase on the daily rate of £2.70 at that time – a point made consistently by those responding.
- 5.8 Overall, 37% of those responding to the survey agreed that splitting the cost as proposed – i.e. that those people using our transport would contribute £7.50 to the cost (averaging £18) was reasonable; the majority disagreed with the proposal. When asked what a reasonable split would otherwise be, a range of answers was given, the majority of people suggested a figure of £5 or lower per journey.
- 5.9 A number of issues and concerns were raised during the consultation and a summary of these and our response to them is set out below.

- a) That the proposed increase to £7.50 per journey is too high and/or being introduced too quickly and that it will have a significant impact on people with low income; and that the charge should be means-tested.

Comment: Whilst we are not required to apply the means-tested financial assessment to transport costs, we will implement a weekly cap on the amount that anyone will be asked to pay. We will also have transitional arrangements which will mean the full increase is delayed until April 2021.

- b) That it was unfair to charge all people the same amount without regard to the actual journeys involved.

Comment: This was something we considered as part of the pre-consultation engagement and ruled out, owing to the rural nature of the county. Otherwise those who lived in more remote areas might feel they were being penalised for doing so. It is also worth noting that the contribution will only cover a smaller part of the overall average cost. Where the proposed rate seems high for shorter journeys, we will use the 19 months of transitional arrangements to see if alternative means can be identified.

- c) That people will stop using the services, leading to increase of social isolation and on sustainability of providers. Also raised the impact on those who have greatest needs.

Comment: We will ensure that on a case by case basis we continue to support clients according to their individual needs and will also monitor the impact of choices made by people on providers. Those who will pay a contribution to transport costs will of course be users of it, but the cap will help those who use it most. There is a general issue here about who pays for social care and taxation: should it be free at the point of delivery (largely like the NHS) or should individuals pay more?

- d) That the charges highlight that the current service is inefficient and costly and that alternatives should be looked at (Linked to this was the concern that by passing on more of this cost to users of the service, it highlighted that it would cost people more than commercial/public transport).

Comment: A full and detailed review of transport arranged by the Council is currently being undertaken and we will ensure that these comments are passed on. As stated above we will use the 19 months of transitional arrangements to look at individual circumstances where that is appropriate.

- e) That the council should lobby central government for more funding or indeed that it should be fully funded.

Comment: NYCC is very involved in lobbying central government and we have provided briefings to a number of other key organisations and to Area Constituency Committees about the additional cost of Adult Social Care in rural areas. We can provide copies of these if requested. However, we await the long-delayed Green Paper on funding Adult Social Care and will continue to ensure central government is aware of the issues which affect us and the solutions we have suggested will help.

5.10 Following consideration of all of these points, the following proposals are made:

- (i) That charges for transport are increased to £7.50 per journey for all users but that this is only fully implemented on 1 April 2021; and that these charges are set at £5 per journey from 1 September 2019. During this first period the cap will be £30 per week and then increase to £40 per week from 1 April 2021.
- (ii) That monitoring of the impact of these changes is undertaken during the period of the reduced charge, both on those using the service and on other council services and budgets.
- (iii) Charges for transport will be based on planned provision rather than actual unless the minimum notice period of one week for any cancellations is adhered to.

6.0 CONTRIBUTIONS TO THE FULL COST OF CARE

6.1 The second part of the consultation dealt with proposals to ensure that the full cost of care is taken into account when assessing any personal contribution towards it. As part of the Strength-Based Assessment approach we will now ensure that alternatives to second (and other) carers are explored, noting the potential cost implications on people of the new arrangements. This will take into account innovations in equipment, technology or different moving and handling approaches.

6.2 The consultation asked for views to take the full cost of care into account (in all circumstances) when people are asked to make contributions towards their care. Any such contributions will continue to be part of the means-tested financial assessment and will therefore take account of their ability to pay.

6.3 The document highlighted that the main impact would be on people who have two care workers supporting them at the same time as the Council currently only includes the cost of one of those in its calculation. If someone has two care workers supporting them (but at two separate times), they may be asked to

contribute towards the costs of both. We do not think this is reasonable and, as other councils have done, are seeking to change this situation.

6.4 During the consultation we stressed that anyone's actual contribution would only change if the amount they are able to pay is currently more than what they actually pay. If someone is already paying the maximum they can afford, there will be no increase to them.

6.5 The question we asked was:

“Do you agree that the full cost of providing social care should be taken into account when working out how much people who use social care should contribute toward the cost?”

6.6 59% of people responding to the survey agreed with this although there were also a number of concerns raised. A number of issues and concerns were raised during the consultation and a summary of these and our response to them is set out below.

a) Highest impact on those most in need.

Comment: The charge people will pay will be dependent on how much they can afford to pay and the vast majority of those who have two carers at the same time will not be affected. We will provide support on an individual basis, including taking into account work undertaken by our Occupational Therapy service and anyone impacted will be reviewed. We will also continue to advise people through the financial assessment process, including ensuring that they receive all of the benefits and financial support they are entitled to.

b) Impact on people with low income and using up savings or that people have already contributed through taxes.

Comment: The charge people will pay will be dependent on how much they can afford to pay and the vast majority of those who have two carers at the same time will not be affected. We will provide support on an individual basis, including taking into account work undertaken by our Occupational Therapy service and anyone impacted will be reviewed. We will also continue to advise people through the financial assessment process, including ensuring that they receive all of the benefits and financial support they are entitled to

c) That people may be given two carers when they didn't need or want them and that we need to have a flexible client-centred approach.

Comment: We will be reviewing arrangements to ensure that the provision of two carers remains necessary to ensure that the right levels of care and support are still being provided. We will also work with providers to ensure that commissioned services meet the assessed needs of the client, including moving and handling.

- d) That financial assessment does not cover all of a person's disability-related needs.

Comment: The financial assessment involves a discussion with each individual in relation to any additional costs that they may incur as a direct result of their illness or disability.

- e) Impact on council if person can no longer manage to stay in their own home.

Comment: We will monitor and address any subsequent impact which may arise.

- f) Concerns around Value for Money (including cost of care, using commercial providers, efficiency and accuracy of billing) and quality of care provided.

Comment: Care and support provision is constantly monitored and reviewed to ensure that we obtain value for money. Our billing and payments system is also currently being reviewed but is routinely checked for efficiency and accuracy. If an individual concern is raised it is promptly investigated and any adjustments are then made as required.

- g) Council should look at saving money elsewhere or seek additional funding.

Comment: NYCC is very much involved in lobbying central government and we have provided briefings a number of other key organisations and to Area Constituency Committees about the additional cost of Adult Social Care in rural areas. We can provide copies of these if requested. However, we await the long-delayed Green Paper on funding Adult Social Care and will continue to ensure central government is aware of the issues which affect us and the solutions we have suggested will help.

During the period 2011-22, NYCC will be expected to find savings of nearly £200m. Of this, some £157m has been achieved, while prioritising non-frontline services. These include:

- £45m improved ways of working
- £25m reducing costs of buying goods and services

- £20m reduction in support services, back office and administrative support
- £18m increased income from selling services to schools and other councils
- £6m reduction in the number of managers
- £3m reduction in staff terms and conditions

Across the council, savings have been made in the following areas:

- *Improved Treasury Management*
- *School Improvement*
- *Disabled Children's Services*
- *Youth Justice Service*
- *Home to School Transport*
- *LED Streetlights*
- *Removal of Bus Subsidy*
- *Grass Cutting*
- *Replacing Elderly Persons' Homes with extra Care*
- *Targeted Prevention*

6.7 Following consideration of all of these points, the following proposals are made:

- (i) That practice is changed to ensure that the full cost of care is taken into account when charging people who use services.
- (ii) That the service works with every individual affected by this proposal to ensure that the appropriate level of care is in place and that individuals understand the reason for this.
- (iii) That for new users, these changes come into place from 1 June 2019 and for those currently using the service from September 2019.

7.0 RECOMMENDATIONS

7.1 The Corporate Director Health and Adult Services, in consultation with the Executive Member for Adult Social Care and Health Integration is asked to approve:

- (i) That charges for transport are increased to £7.50 per journey for all users but that this is only fully implemented on 1 April 2021; and that these charges are set at £5 per journey from 1 September 2019. During this first period the cap will be £30 per week and then increase to £40 per week from 1 April 2021.

- (ii) That monitoring of the impact of these changes is undertaken during the period of the reduced charge, both on those using the service and on other council services and budgets.
- (iii) Charges for transport will be based on planned provision rather than actual unless the minimum notice period of one week for any cancellations is adhered to.
- (iv) That practice is changed to ensure that the full cost of care is taken into account when charging people who use services.
- (v) That the service works with every individual affected by this proposal to ensure that the appropriate level of care is in place and that individuals understand the reason for this.
- (vi) That for new users, these changes come into place from 1 June 2019 and for those using the service from September 2019

7. The Corporate Director Health and Adult Services, in consultation with the Executive Member for Adult Social Care and Health Integration is also asked to note that there is a corporate review of transport provision and cost and that the issues relating to effectiveness and efficiency of the transport service will be addressed through that review.

Richard Webb
Corporate Director – Health and Adult Services

Author of report – Anton Hodge Assistant Director – Strategic Resources